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NICARAGUA: New Port Facilities

The Sandinista government has been improving Nicaragua's port capabilities, at least partly to accommodate an increasing flow of arms and military supplies. (S NF)

A new 30-meter wharf and warehouse are nearing completion at Rama, the primary transshipment point for arms and cargo entering Nicaragua from the Caribbean. Adequate berthing space will be available for small ships often used to transfer arms from merchant ships at El Bluff. Nicaragua reportedly is trying to obtain US electronic equipment for use in harbor operations at El Bluff, whose port is being deepened. (S NF)

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Comment:

The new facilities probably were used in early December for the transshipment of arms from a Bulgarian ship.

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The addition of another terminal at Corinto would improve the country's petroleum product handling capability. The Sandinistas probably decided to build it after similar facilities were damaged by insurgent attacks in recent months.

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YUGOSLAVIA: Resistance to IMF Recommendations

Prime Minister Planinc's warning that Yugoslavia cannot adopt all of the IMF's recommendations for reform in 1984 is meant to secure concessions from the Fund and to show domestic opponents that she will not sacrifice national interests for the sake of Western aid. []

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Government leaders especially object to two IMF proposals. The Fund wants Yugoslav enterprises to turn over to the National Bank all foreign exchange earned through export sales, and it insists that Belgrade raise interest rates above the rate of inflation. []

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Planinc, in a speech on Tuesday, argued that these measures would jeopardize the government's long-term stabilization programs and the economic and political systems. She insisted that Yugoslav authorities will establish a "demarcation line" beyond which IMF proposals would constitute interference in the country's affairs. According to US Embassy sources, the leadership has drawn up a go-it-alone program in case negotiations with the IMF and foreign creditors fall through completely. []

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Comment: Belgrade is reluctant to adopt the IMF measures partly because they would undercut arrangements with the republics and provinces—achieved with great difficulty—on foreign exchange and interest rate policies. A new foreign exchange law gives Yugoslav firms some discretion over their use of hard currency earnings. The government, moreover, wants to raise interest rates gradually as it curbs inflation. []

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Nevertheless, the government has no good alternative to reaching agreement with the IMF. The authorities know that a breakdown in negotiations with creditors would disrupt foreign trade and damage the economy. []

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Planinc's warning may be intended to deflect domestic critics opposed to relying on financial ties to the West. It also is a plea for Western understanding of the limits of her power in Yugoslavia's cumbersome decentralized system. Go-it-alone policies would cause even greater hardships without providing a path for economic recovery. []

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EAST GERMANY: Warning to the Church

The regime has put new pressure on the Lutheran Church to curtail its support of protesters, but no major crackdown seems imminent. []

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The US Embassy in East Berlin reports that the official in charge of church affairs bluntly warned the country's seven Lutheran bishops in early December to restrain pastors who are active in the peace movement and to cease giving jobs to people who are trying to emigrate to the West. There has been no significant increase reported in arrests or other harassment of peace activists in recent weeks. The regime has been denying entry, however, to members of the West German Green Party, many of whom have contacts among East German peace activists. []

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Embassy contacts say the peace movement still plans public protests over the deployment of new Soviet missiles in East Germany. The church reportedly is taking the regime's warning seriously. Impending shifts in its leadership, moreover, favor more cautious bishops. []

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Comment: The government probably is not ready to take decisive action against either the church or the autonomous peace movement. Its warning to the bishops probably was intended to show them that there are limits to the tolerance it showed in connection with Luther Year and the campaign against INF deployment. []

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The regime's warning, however, carries weight. The state controls virtually all church "privileges," including travel and church publications. []

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Because of religious principle and because the church's credibility with East German youth depends on continued support, the bishops almost certainly will not abandon the peace movement. Emigration, however, has been opposed by many church leaders who believe that Christian duty requires working within the nation. Exit applicants may find that the church is willing to reduce its involvement with them in exchange for freedom of action in other areas. []

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USSR-MADAGASCAR: Effort To Increase Influence

Moscow apparently is concerned about President Ratsiraka's efforts to improve relations with the West and to reduce the cost of Soviet military aid, and it is trying to strengthen its position in Madagascar. []

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Malagasy leaders also are unhappy about a TASS report in November that Bemananjara and Foreign Minister Gromyko had "denounced US aggression against Grenada." Bemananjara claimed the report was false. []

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Comment: Ratsiraka has been moving away from his earlier support for Soviet positions on international issues as he seeks more Western aid. The USSR would like to preserve the strong military aid relationship and the political support that it obtained after Madagascar's turn to "revolutionary socialism" in 1975, but it is unwilling to commit substantial resources to the effort. []

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Since 1982, Western aid has exceeded Soviet economic help, which is estimated to have totaled about \$75 million since 1974. Soviet military aid has declined since 1980. []

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[] Past
Soviet requests for access to Diego Suarez, which was once France's main naval base in the Indian Ocean, apparently have been rejected by Ratsiraka. The Soviets would find Diego Suarez useful, but their failure to offer more economic or military aid suggests that they assign a lower priority to facilities in Madagascar's part of the Indian Ocean than to the northern littoral. []

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URUGUAY: Tighter Political Restrictions

President Alvarez's toughened stand against political activities is an apparent effort to thwart preparations for elections scheduled for November 1984 and to extend his term. []

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In mid-December the government shut down a radio station and imposed strict censorship on the press in response to coverage of recent political events. Since then, respected political weeklies have suspended publication. []

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Last week the government arrested a prominent politician on charges of slandering the armed forces and announced that he will be tried in military courts. All political parties have condemned the arrest, and public demonstrations have protested the restrictions on the media. Meanwhile, military commanders have responded to the presidential nomination of exiled political leader Ferreira—who won the most votes in the election in 1971—by reiterating that his proscription makes him ineligible to conduct political activities. []

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The transition talks between military and party representatives remain stalled. []

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Comment: The government's crackdown appears calculated in large part to antagonize political moderates, thereby making any transition more difficult. Politicians are unlikely to take the initiative toward renewing the transition negotiations while the government maintains its hardened position. []


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The ultimate extent of military support for Alvarez, however, hinges on the coming round of military promotions and retirements. It also depends on whether civilians will be able to maintain significant public protest when the current summer holiday period ends in March. []

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NICARAGUA: Attempt to Unify Insurgents

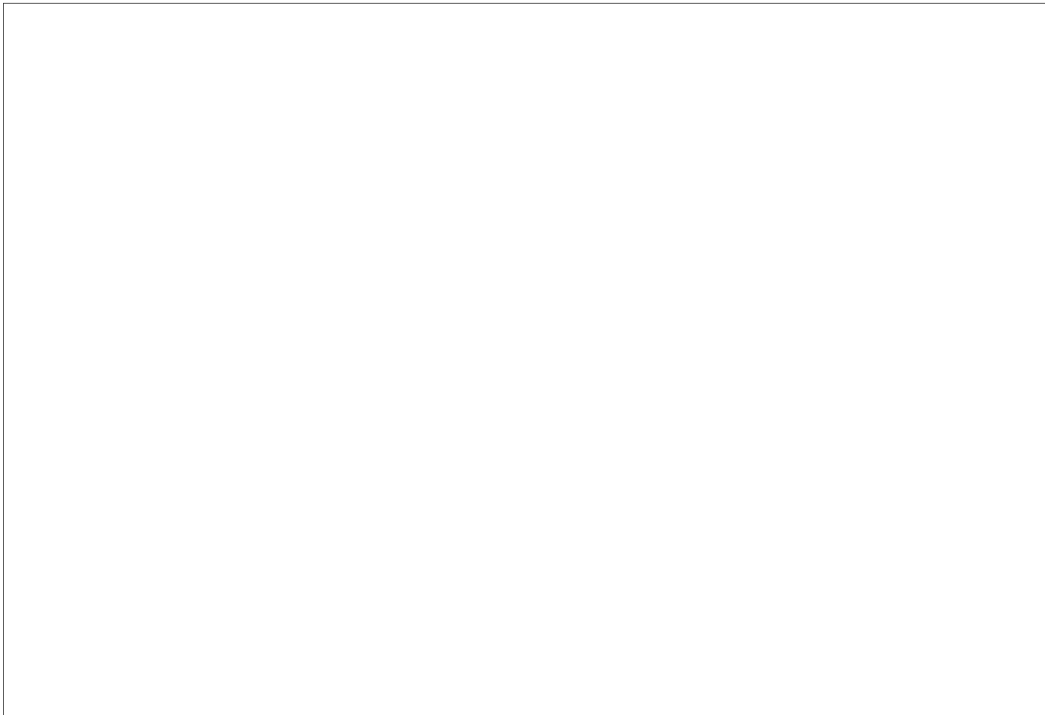
The Democratic Revolutionary Alliance is working to unify all three anti-Sandinista groups. According to the US Embassy in Mexico City, the Alliance is preparing a draft document calling for an assembly of insurgent organizations to discuss coordination of political and military strategy. In addition, the document invites all other Nicaraguans—including former National Guardsmen and disaffected Sandinistas—to participate in overthrowing the current regime. 

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Comment: The lack of unity among the three major insurgent organizations has impeded their efforts to gain greater domestic and international political credibility. The proposed document suggests that Eden Pastora may have modified his longstanding rejection of any ties to former members of the National Guard who dominate the military leadership of the Nicaraguan Democratic Force. By soliciting Sandinista participation, the insurgents probably hope to increase the regime's nervousness about possible defections while also underscoring their own political tolerance. 

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USSR-LEBANON: Delivery of Aid

Moscow radio on Wednesday announced that a special Aeroflot flight to Damascus had delivered medicine and clothing for the Lebanese Afro-Asian Solidarity Committee.

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Comment: The Soviets generally have tried to avoid the appearance of direct interference in Lebanese factional strife.

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Moscow probably will seek propaganda benefits by contrasting Soviet humanitarian aid with US military action in Lebanon.

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PHILIPPINES: Developments in Assassination Inquiry

The board of investigation heard testimony this week from an employee of Philippine Airlines whose account of the assassination of Benigno Aquino contradicts testimony from airport security personnel. He is the second eyewitness to claim that alleged assassin Rolando Galman was not in position to kill Aquino. []

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Comment: The board's chairman publicly asked the government to stop its separate investigations, which she said interfere with the panel's work, after the airline employee testified that government investigators had approached him and threatened to take him to see President Marcos. This charge and the conflicting testimony almost certainly are reinforcing the public's perception that the government is trying to cover up military involvement in the assassination. The board appears determined to probe further into the assassination despite any attempts by the government to intimidate witnesses.

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ETHIOPIA: Civilian Unrest

The government is enforcing a strict curfew and is rounding up suspected dissidents in an effort to suppress growing unrest in Addis Ababa. The US Embassy reports that antiregime leaflets are being distributed throughout the city and that criticism of the government is becoming more open. It believes the discontent has been caused by the declining economy, conscription, and continued military rule. []

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Comment: The civilian opposition is unlikely to become a serious threat, because the military and security services will crack down hard on dissident activity. Although the military has little sympathy for civilian complaints, some senior officers are opposed to the continued Soviet presence and to Chairman Mengistu's costly campaigns against the rebels in the north. The regime's continued refusal to yield on these issues could threaten the stability of the regime in the next few months. []

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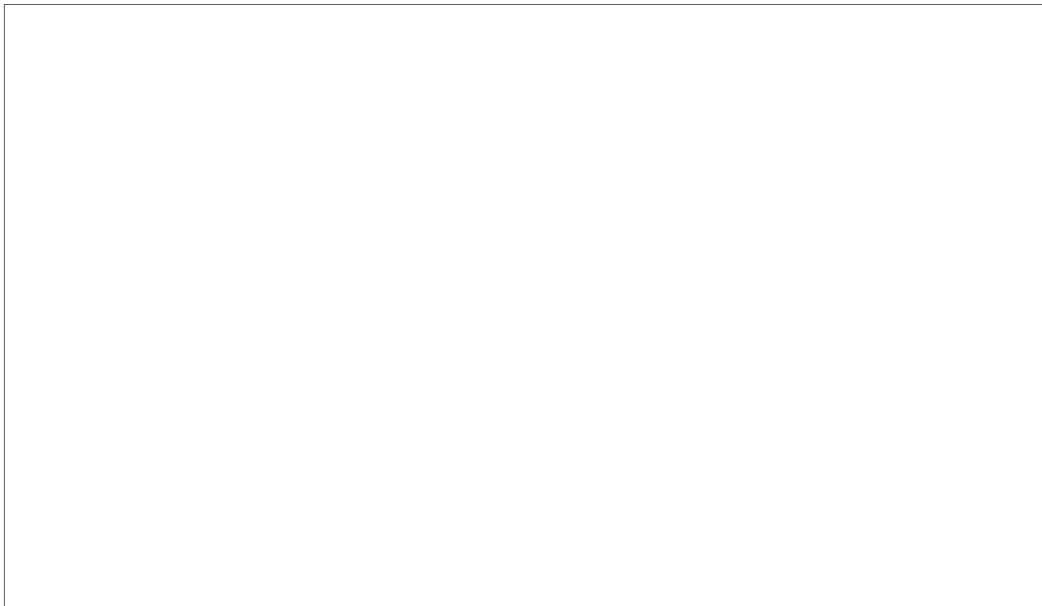
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NORTH KOREA: New Foreign Minister

North Korea yesterday announced that Politburo member Kim Yong-nam has been appointed as deputy premier and foreign minister. He replaces Ho Tam, who has been transferred to a new, unidentified post. Earlier this month Ho Tam was elevated to full membership on the Politburo.

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Comment: Kim Yong-nam has extensive experience in managing the party's foreign policy apparatus, and he is likely to be an effective foreign minister.

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